

# WAIS Inc

*Wide Area Information Servers*

## October 1994 Financial Results and Forecast

### REVENUES

Revenues for October were \$80,000; we are now forecasting Q2 revenues of \$646,000 and \$3,500,000 for the year. Planned revenues for Q2 and the year were \$518,000 and \$3,000,000.

Bookings for the quarter have been lower than we expected at the beginning of the quarter and the bookings and pipeline mix is presently higher in production services than we had been expecting. If our revenue mix continues to move to less product sales (Vs production services), our production services staff (contractors and employees) will have to be increased to deliver the production services projects on time.

We currently have a backlog of \$738,000, \$352,000 of which should be Q2 revenue as we complete projects in progress.

### EXPENSES

October expenses were \$151,000 Vs planned expenses of \$159,000. Production Services expenses were higher than plan by \$11,000, reflecting the contractors hired to complete the CMP project.

The new forecast for FY 95 expenses is \$2,793,000 Vs the original plan of \$2,415,000. The forecast increase is primarily for additional people we now expect to hire by the end of the year. The original forecast was to have 30 full time employees by the end of the year; we now expect to have 37-- 2 more in Marketing & Sales, 3 more in the Washington office, 3 more in Production Services, and 1 less in Development.

### CASH

Our cash balance at the end of the month was \$424,000, which was \$219,000 higher than in the plan. This reflected year to date revenues which are \$319,000 higher than planned. We are forecasting a cash balance of \$327,000 at the end of the fiscal year, Vs \$288,000 in the FY95 plan.

**WAIS, Inc.**  
**October 1994 Balance Sheet**  
**11/28/94**

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
<i>Current Assets:</i>			
Cash	\$424,339	\$205,421	\$218,918
Accounts Receivable	323,954	140,463	183,491
Deposits & Prepaids	29,389	15,000	14,389
Total Current Assets	777,682	360,884	416,798
<i>Fixed Assets:</i>			
Furniture	9,064	9,741	(677)
Equipment & Software	115,836	119,276	(3,440)
Production Services	7,670	8,301	(631)
Accumulated Depreciation	(42,081)	(41,767)	(314)
Net Fixed Assets	90,489	95,551	(5,062)
<i>Other Assets</i>	3,497	3,815	(318)
<i>Total Assets</i>	871,668	460,250	411,418
<i>Current Liabilities:</i>			
Accounts Payable	50,235	37,831	12,404
Accounts Receivable Line of Credit			-
Note Payable	48,711	48,711	-
Deferred Revenue		79,253	(79,253)
Accrued Income Taxes	312,569	89,336	223,233
Total Current Liabilities	411,515	255,131	156,384
<i>Shareholders' Equity:</i>			
Paid in Capital	25,000	25,000	-
Current Year Income (Loss)	397,485	134,003	263,483
Retained Earnings (Deficit)	37,668	46,116	(8,448)
Total Equity	460,153	205,119	255,035
<i>Total Liabilities &amp; Equity</i>	\$871,668	\$460,250	\$411,419

**WAIS, Inc.**

**Income Statement for the Month of October 1994**

**11/28/94**

Month of October			4 Months Year to Date			
<u>Actual</u>	<u>Budget</u>	<u>Better (Worse)</u>		<u>Actual</u>	<u>Budget</u>	<u>Better (Worse)</u>
			<i>Revenue:</i>			
\$57,400	\$155,556	(\$98,156)	Products	\$693,033	\$627,778	\$65,255
15,047		15,047	Government Contract	157,532		157,532
8,000	13,000	(5,000)	Production Services	146,000	150,000	(4,000)
			International	100,000		100,000
80,447	168,556	(88,109)	Total Revenue	1,096,565	777,778	318,787
80,447	168,556	(88,109)	Gross Margin	1,096,565	777,778	318,787
			<i>Expenses:</i>			
31,183	35,252	4,069	Marketing & Sales	63,696	133,937	70,241
7,118	5,800	(1,318)	Washington Office	23,657	23,200	(457)
34,346	23,114	(11,232)	Production Services	71,960	89,164	17,204
40,973	50,407	9,434	Development	99,899	139,896	39,997
36,887	44,061	7,174	G&A	111,466	168,243	56,777
150,507	158,634	8,127	Total Expenses	370,678	554,440	183,762
(70,060)	9,923	(79,983)	Net Operating Income (Loss)	725,887	223,339	502,549
688		688	Interest Income (Expense)	1,764		1,764
(69,372)	9,923	(79,295)	Pretax Income (Loss)	727,651	223,339	504,313
(20,524)	3,969	24,493	Income Taxes	330,166	89,336	(240,830)
(\$48,848)	\$5,954	(\$54,802)	NET INCOME (LOSS)	\$397,485	\$134,003	\$263,482

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WAIS, Inc.  
FY1995 Balance Sheet Forecast

A/R days: 25

AR Days	Actual												
	31 Jun-94	37 Jul-94	24 Aug-94	121 Sep-94	140 Oct-94	35 Nov-94	25 Dec-94	25 Jan-95	25 Feb-95	25 Mar-95	25 Apr-95	25 May-95	25 Jun-95
Current Assets													
Cash	\$134,341	\$191,943	\$201,451	\$320,459	\$424,339	\$275,633	\$485,633	\$308,969	\$469,933	\$221,424	\$282,791	\$236,498	\$327,476
Accounts Receivable	\$101,023	196,910	225,500	514,026	323,954	375,419	228,667	308,333	166,667	282,315	186,481	260,185	278,519
Deposits & Prepaids	5,875	2,395	2,395	41,058	29,389	29,389	29,389	29,389	29,389	29,389	29,389	29,389	29,389
Total Current Assets	241,239	391,248	429,346	875,543	777,682	680,441	743,688	646,691	665,989	533,128	498,661	526,072	635,383
Fixed Assets													
Furniture	4,741	4,741	4,741	9,064	9,064	14,064	30,799	30,799	30,799	35,799	35,799	35,799	35,799
Equipment & Software	81,776	87,403	95,621	95,621	115,836	144,336	169,336	176,336	191,336	191,336	191,336	191,336	191,336
Production Services	3,301	3,301	3,301	7,670	7,670	12,670	27,670	32,670	37,670	52,670	57,670	57,670	72,670
Accumulated Depreciation	(30,053)	(32,651)	(35,479)	(38,499)	(42,081)	(46,593)	(52,300)	(58,619)	(65,494)	(72,785)	(80,299)	(87,812)	(95,742)
Net Fixed Assets	\$59,765	\$62,794	\$68,184	\$73,856	\$90,489	\$124,477	\$175,505	\$181,186	\$194,311	\$207,020	\$204,506	\$196,993	\$204,063
Other Assets	3,815	3,735	3,656	3,577	3,497	3,815	3,815	3,815	3,815	3,815	3,815	3,815	3,815
Total Assets	\$304,819	\$457,778	\$501,186	\$952,976	\$871,668	\$808,732	\$923,008	\$831,692	\$864,115	\$743,963	\$706,982	\$726,880	\$843,261
Current Liabilities													
Accounts Payable	114,206	\$124,559	\$54,953	\$50,121	\$50,235	\$42,358	\$59,601	\$54,124	\$74,783	\$48,033	\$47,455	\$73,555	\$60,705
Accounts Receivable Line of Credit													
Note Payable - B Kahle	48,711	48,711	48,711	48,711	48,711								
Deferred Revenue	79,235	79,235	79,235										
Accrued Income Taxes	6,100	68,854	118,580	345,141	312,569	312,569	355,263	317,494	322,670	281,573	265,556	262,827	319,689
Total Current Liabilities	248,252	321,359	301,479	443,973	411,515	354,927	414,864	371,618	397,453	329,606	313,011	336,382	380,394
Shareholders' Equity:													
Paid in Capital	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Current Year Income (Loss)	31,187	79,870	143,157	446,333	397,485	391,138	445,476	397,406	403,994	351,689	331,303	327,830	400,199
Retained Earnings (Deficit)	380	31,549	31,549	37,668	37,668	37,668	37,668	37,668	37,668	37,668	37,668	37,668	37,668
Total Equity	56,567	136,419	199,706	509,001	460,153	453,806	508,144	460,074	466,662	414,357	393,971	390,498	462,867
Total Liabilities & Equity	\$304,819	\$457,778	\$501,185	\$952,974	\$871,668	\$808,732	\$923,008	\$831,692	\$864,115	\$743,963	\$706,982	\$726,880	\$843,261

End of Year Cash Forecasts

Current Forecast	327,476
Last Forecast	591,656
Plan 94	287,550

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WAIS, Inc.  
FY1995 Income Statement Forecast

	Actual												
	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
<b>REVENUE</b>													
Products	\$137,000	\$163,750	\$334,883	\$57,400	\$196,000	\$370,000	\$150,000	\$177,778	\$177,778	\$222,222	\$222,222	\$222,222	\$2,431,255
Government Contract	\$2,062	1,237	139,186	\$15,047									157,532
Production Services	50,000	20,000	68,000	8,000			50,000	161,000	46,000	90,000	112,000	235,000	840,000
International			100,000										100,000
<b>Total Revenue</b>	189,062	184,987	642,069 1,016,118	80,447	196,000	370,000 646,447	200,000	338,778	223,778 762,556	312,222	334,222	457,222 1,103,667	3,528,787 3,528,787
<b>COST OF GOODS SOLD</b>													
Subcontractors													
<b>Total Cost of Goods</b>													
<b>GROSS MARGIN</b>	189,062	184,987	642,069	80,447	196,000	370,000	200,000	338,778	223,778	312,222	334,222	457,222	3,528,787
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Marketing & Sales	5,011	7,679	19,825	31,183	41,707	75,167	67,653	95,872	76,622	73,544	99,644	80,794	674,701
Washington Office	4,695	4,528	7,316	7,118	10,150	22,300	22,250	22,250	22,250	22,250	22,250	22,250	189,608
Production Services	6,370	7,589	23,656	34,346	64,319	59,655	60,821	65,226	63,643	63,782	63,782	64,199	577,387
Development	15,273	15,405	28,248	40,973	46,599	63,794	77,488	71,838	78,838	78,838	78,838	78,838	674,971
G&A	15,431	37,128	22,020	36,887	39,331	52,052	57,627	71,827	75,827	110,210	75,910	81,910	676,159
<b>Total Expenses</b>	46,779	72,329	101,065	150,507	202,106	272,968	285,839	327,013	317,180	348,625	340,425	327,991	2,792,827
<b>Net Operating Income(Loss)</b>	142,283	112,658	541,004	(70,060)	(6,106)	97,032	(85,839)	11,764	(93,402)	(36,402)	(6,202)	129,231	735,960 21%
<b>Interest Income ( Expense)</b>	342	354	381	688	(5,228)								(3,463)
<b>Pretax Income(Loss)</b>	142,625	113,012	541,385	(69,372)	(11,334)	97,032	(85,839)	11,764	(93,402)	(36,402)	(6,202)	129,231	732,497
<b>Income Taxes</b>	62,755	49,725	238,209	(20,524)	(4,987)	42,694	(37,769)	5,176	(41,097)	(16,017)	(2,729)	56,862	332,299
<b>NET INCOME(LOSS)</b>	\$79,870	\$63,287	\$303,175	(\$48,848)	(\$6,347)	\$54,338	(\$48,070)	\$6,588	(\$52,305)	(\$20,385)	(\$3,473)	\$72,369	\$400,199

**WAIS, Inc.**  
**FY1995 Sources & Uses of Cash Forecast**

A/R Days: 25

	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
<b>Beginning Cash Balance</b>	\$134,341	\$191,943	\$201,450	\$320,456	\$424,338	\$275,632	\$485,632	\$308,968	\$469,932	\$221,423	\$282,790	\$236,497	\$134,341
<b>Sources of Cash</b>													
Revenues	189,062	184,987	642,069	80,447	196,000	370,000	200,000	338,778	223,778	312,222	334,222	457,222	3,528,787
Less accounts receivable increa	(95,887)	(28,590)	(288,526)	190,072	(51,465)	146,753	(79,667)	141,667	(115,648)	95,833	(73,704)	(18,333)	(177,496)
Accounts Receivable Line of Cr													
Current Liability Increases	73,107	(19,880)	142,494	(32,458)	(56,589)	59,938	(43,247)	25,835	(67,847)	(16,595)	23,371	44,012	132,142
Retained Earnings Changes			6,119										6,119
Paid in Capital Increases													
<b>Total Sources</b>	<b>166,282</b>	<b>136,517</b>	<b>502,156</b>	<b>238,061</b>	<b>87,946</b>	<b>576,690</b>	<b>77,087</b>	<b>506,280</b>	<b>40,283</b>	<b>391,461</b>	<b>283,889</b>	<b>482,901</b>	<b>3,489,552</b>
<b>Uses of Cash</b>													
Operating expenses	46,437	71,975	100,684	149,819	207,334	272,968	285,839	327,013	317,180	348,625	340,425	327,991	2,796,290
Less Depreciation	(2,598)	(2,828)	(3,020)	(3,582)	(4,512)	(5,707)	(6,319)	(6,875)	(7,291)	(7,513)	(7,513)	(7,930)	(65,689)
Income taxes	62,755	49,725	238,209	(20,524)	(4,987)	42,694	(37,769)	5,176	(41,097)	(16,017)	(2,729)	56,862	332,299
Deposits & Prepaids Increases	(3,480)		38,663	(11,669)									23,514
Furniture			4,323		5,000	16,735			5,000				31,058
Equipment & Software	5,627	8,218		20,215	28,500	25,000	7,000	15,000					109,560
Production Services Assets			4,369		5,000	15,000	5,000	5,000	15,000	5,000		15,000	69,369
Other Asset Increases	(62)	(79)	(79)	(80)	318								18
<b>Total Uses</b>	<b>108,680</b>	<b>127,011</b>	<b>383,150</b>	<b>134,179</b>	<b>236,653</b>	<b>366,690</b>	<b>253,751</b>	<b>345,315</b>	<b>288,792</b>	<b>330,094</b>	<b>330,182</b>	<b>391,923</b>	<b>3,296,419</b>
<b>Ending Cash Balance</b>	<b>\$191,943</b>	<b>\$201,450</b>	<b>\$320,456</b>	<b>\$424,338</b>	<b>\$275,632</b>	<b>\$485,632</b>	<b>\$308,968</b>	<b>\$469,932</b>	<b>\$221,423</b>	<b>\$282,790</b>	<b>\$236,497</b>	<b>\$327,475</b>	<b>\$327,475</b>